

CONSUMER ALERT

Wisconsin Department of Agriculture, Trade & Consumer Protection | datcp.wisconsin.gov



“Phantom Debt” Calls Nothing to Fear

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MADISON – “You have four hours to contact us. You have been named as a respondent and may have to appear in court...”

The call comes out of the blue. There is no company name given in the recording, but you are told that you may be a respondent in a court case and the company may reach out to your employer to garnish your wages. To stop the company from contacting your employer, you can press a key to speak with a litigator or you can call them back. What do you do?

Hang up the call or delete the message – it is a nationwide scam. These threats are typically openers for a “phantom debt” collection pitch where victims are told they must make a payment on a fraudulent debt. In some cases, the scammers say they’re calling on behalf of a state’s taxation agency. These operations use threatening messages to play on the victims’ fears of legal or financial actions.

The Wisconsin Departments of Agriculture, Trade and Consumer Protection (DATCP), Financial Institutions (DFI) and Revenue (DOR) have each received inquiries about these scams. What should you know about these fraudulent calls?

- False court order and debt collection scams are widespread. These types of scams have been seen in states as widespread as Minnesota, Idaho, New Hampshire, Louisiana and Washington.
- As with any other automated phone call scam, you should avoid hitting any keys during the call or taking any other action to be removed from the caller’s phone list or to speak with a live representative. By hitting a key, you are verifying that your number is active to the scammer and you may receive even more calls.
- In some cases, the messages include a “case number” to intimidate the receiver, and some versions even tell victims to send money immediately to avoid a warrant being issued for their arrest.
- Many callers to DATCP have claimed that the scammers have either their full social security numbers or the last 4 digits and are using that information to convince the victim the call is legitimate. It is generally assumed that this information is stolen from online loan applications.
- Never provide personal or banking information on an unsolicited call.

For additional information or to file a complaint, visit the Bureau of Consumer Protection at datcp.wisconsin.gov, send an e-mail to datcp hotline@wisconsin.gov or call the Consumer Protection Hotline toll-free at 1-800-422-7128.

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